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Chairman: Mr. Dhakal (Vice-Chairman) ..... (Nepal)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

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In the absence of Mr. Yousfi (Algeria), Mr. Dhakal (Nepal), Vice-Chairman, took the Chair.

The meeting was called to order at 10.10 a.m.

Agenda item 122: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*) (A/61/11 and A/61/68)

1. **Mr. Wallace** (United States of America) said that major changes in the methodology used to establish the scale of assessments had taken place only at intervals of 20 to 30 years. Although the latest change had been introduced only six years previously, the Organization was facing many new challenges, and the world economy had altered. Discussion of a new methodology must focus on faithfully reflecting Member States' capacity to pay and on equitably distributing assessment shares.

2. Since the Organization's inception, the United States of America had been its single largest contributor, and had made assessed and voluntary contributions to the United Nations system of over $20 billion in fiscal years 2001 to 2005. It was committed to financing the constantly increasing peacekeeping assessments and to meeting its financial obligations to the regular budget and the budgets of the International Tribunals. It was not alone in having borne a heavy financial burden in support of the Organization over the years; others had done the same.

3. The current methodology for establishing the scale of assessments largely reflected the economic balance of power of the post-war years rather than present-day economic reality and circumstances. Moreover, it made few distinctions among developing countries, as it provided a flat-rate discount. Countries that had emerged as major economic Powers and were actively competing with developed economies received the same reductions as countries in dire economic situations, thus placing a handful of developing countries at a substantial advantage. The Organization could obtain a different picture of Member States' capacity to pay by calculating gross national income (GNI) on the basis of purchasing power parity (PPP), a factor used by a number of international organizations, including the International Monetary Fund, but not so far discussed by the General Assembly. The General Assembly must consider and debate its use.

4. Its delegation took the view that all Member States must contribute financially to the Organization, even if only at the minimum level, but also that the United Nations must not rely too heavily on the financial support of one or two Member States. As early as 1946, the General Assembly had set a contribution ceiling of 39.89 per cent because it had been concerned that the higher percentage favoured by the Committee on Contributions might jeopardize the sovereign equality of States. The ceiling did not reflect capacity to pay so much as a desire to reduce financial reliance on, and even financial dominance by, particular Member States.

5. While the ceiling provided an element of equilibrium in the scale methodology, distribution of assessments remained unbalanced because the 80-per-cent gradient, applied at a single rate, failed to have its intended effect of providing relief for the many Member States with low per capita incomes. Its delegation supported discussion of changes which would maintain or even increase the gradient for most developing countries, while decreasing it for large developing countries which could afford to pay a greater share. It also favoured a short base period for economic data used in calculating the scale, because a short period better reflected a State's capacity to pay.

6. **Mr. Shinyo** (Japan) said that Japan had expressed its concern over the fairness of the methodology used for the scale of assessments, wondering how it should be considered fair that, under the current system, four of the five permanent members of the Security Council combined bore a smaller financial burden than Japan. While the General Assembly, in its resolution 55/235 on the scale of assessments, had reaffirmed the special responsibilities of the permanent members of the Security Council for the maintenance of peace and security, it could not be argued that their additional contributions to the peacekeeping budget alone were sufficient to discharge those responsibilities, because Security Council decisions had a direct impact on substantial portions of the regular budget. That inequity must be redressed.

7. As Japan believed that capacity to pay must be the guiding principle in the Committee's negotiations on the scale of assessments, those Member States whose relative capacity to pay had increased because of their economic success should be expected to make increased contributions, while the opposite should be the case for countries with economic difficulties. In

that connection, lengthening the base period for economic data ran counter to the principle of capacity to pay, as it would unfairly cause a redistribution of points in the scale from countries with faster-growing economies to those with slower-growing or declining economies.

8. Japan shared the view of the Committee on Contributions that multi-year payment plans had encouraged and helped Member States to reduce their unpaid assessed contributions and welcomed the progress made by those countries which had such plans in place. It also endorsed the conclusion of the Committee on Contributions that the failure of a group of Member States to pay the full minimum required to avoid the application of Article 19 of the Charter had been beyond their control, but noted that some of them had made no payments for some years and should be encouraged to follow the recommendations of the Committee on Contributions in that regard. He regretted that Sao Tome and Principe had repeatedly failed to request a waiver of the application of Article 19 of the Charter according to established procedure, and urged that State to submit information in accordance with General Assembly resolution 54/237 C on the scale of assessments.

9. **Mr. Talbot** (Guyana), speaking on behalf of the Rio Group, said that using capacity to pay as the prime basis for determining Member States' contributions recognized sovereign equality of status but difference in financial means. The Group was particularly concerned about large scale-to-scale increases in Member States' assessments and urged that reliable economic data should be used in order to reflect economic performance accurately. In that connection, it considered that purchasing power parity failed to reflect Member States' capacity to pay, and made no contribution to making the elements of the scale reliable, verifiable and comparable. It did, however, believe that the next scale should incorporate several elements which had been an integral part of it in the past: an adjustment for low per capita income; a debt adjustment based on the debt-stock approach and a maximum assessment rate of 0.01 per cent for the least developed countries.

10. The Group supported the recommendations of the Committee on Contributions regarding countries whose circumstances affected their ability to fulfil payment obligations, urged States to submit voluntary multi-year payment plans, backed efforts to reduce the distortions in the current methodology — including a review of the contribution ceiling adopted in 2000, and hoped that a solution to the problem of the former Yugoslavia's arrears would be found.

11. **Mr. Kryzhanivskyi** (Ukraine), speaking also on behalf of the other member States of the Organization for Democracy and Economic Development (GUAM), Azerbaijan, Georgia and the Republic of Moldova, welcomed the report of the Committee on Contributions (A/61/11) and stressed the crucial role the Committee should continue to play with regard to the scale of assessments, payment plans and exemptions under Article 19 of the Charter.

12. Turning to the methodology for the scale of assessments for the period 2007-2009, he said the main principle of the methodology for calculating the scale of assessments should continue to be the capacity to pay of Member States. He also expressed support for the use of a base period of six years for statistics, which would promote simplicity and predictability in the scale. The low per capita income adjustment, which played an important role in adjusting the capacity to pay of the developing countries, should be retained and the gradient should be increased to 85 per cent.

13. **Mr. Hyun** Cho (Republic of Korea) said that the Committee's consideration of the current annual report of the Committee on Contributions (A/61/11) was unusual because of the need to decide, by the end of the year, on the scale of assessments for the regular budget for 2007-2009. The renegotiation of the scale would be the first since the difficult discussions of 2000, and must take place in the absence of guidance from the General Assembly, which had been unable to reach agreement on the matter at the sixtieth session.

14. The current base period was a compromise which acknowledged that, while a long period promoted greater stability and predictability in the scale, a short period better reflected Member States' actual capacity to pay. The Committee must bear in mind the need to improve the current system while avoiding exposure to constant change. On the specific matter of the debt-burden adjustment, his delegation favoured the debt-flow approach over the current debt-stock approach, as the former was based on actual repayment of the principal, while the latter was based on a theoretical assumption that debt was repaid over eight years.

15. His delegation shared the Committee on Contributions' view that the debt-burden adjustment

was technically unsound because it mixed income and capital concepts and hoped that discussion among the Member States would yield a better solution. When discussing the low per capita income adjustment, the Committee must bear in mind that its purpose was to better reflect capacity to pay, rather than to distort it, and to take account of the discontinuity for Member States which moved past the threshold between scale periods. The Committee on Contributions should further explain the view on conversion rates expressed in paragraph 61 of its report. Lastly, his delegation agreed with the Committee on Contributions that Member States experiencing difficulties should be encouraged to submit multi-year payment plans.

16. **Mr. Kovalenko** (Russian Federation) said that the fair apportionment of the expenses of the Organization was the exclusive prerogative of the General Assembly, which had also established in a series of resolutions the central requirement that assessments should be paid in full, on time and without conditions. In his delegation's view, the Organization's financial stability, and therefore its capacity to meet the international challenges it faced, depended on Member States' faithful compliance with that obligation.

17. The principle of capacity to pay was vital, as it lay at the centre of the Organization's unique status as an entity in which each State's voting rights were independent of its contribution to the budget. Accordingly, the Russian Federation attached great importance to the current discussion of the methodology for preparing the scale of assessments and could not accept any proposals to distort or restrict capacity to pay, particularly by introducing a threshold for the contributions to the regular budget of the permanent members of the Security Council.

18. As the current methodology had evolved through the painstaking efforts of the Member States and the Secretariat throughout the Organization's history, it required no substantial change for the time being. His delegation could see no viable alternative to the current methodology, which in general accurately reflected current capacity to pay and damped out short-term fluctuations in gross national income. Furthermore, the Committee must not ignore the fact that making assessments stable and predictable increased the likelihood that Member States would fulfil their financial obligations and that the Organization could plan its expenditure effectively. The current three-year base period for data was the most suited to those objectives. Lastly, the Russian Federation, having noted the comments of the Committee on Contributions regarding multi-year payment plans, hoped that States in arrears would make every effort to reduce them.

19. **Ms. Poku** (Ghana) said that capacity to pay should be the fundamental criterion in the apportionment of the expenses of the United Nations and stressed that the developing countries should not be assessed at a rate beyond their capacity to pay. She supported the recommendation of the Committee on Contributions that the scale of assessments should be based on the most current, comprehensive and comparable data available relating to gross national income and that market exchange rates (MERs) should be used in calculating assessments, except where that would cause distortions in the income of some Member States, in which case price-adjusted rates of exchange (PAREs) or other appropriate conversion rates should be applied.

20. The capacity to pay of many developing countries had been diminished by their heavy debt burden and the debt-burden adjustment should therefore be retained. The minimum rate of assessment of 0.001 per cent and the maximum assessment of 0.01 per cent for the least developed countries should also be retained in the 2007-2009 scale. The long-established low per capita income adjustment should likewise continue to be an integral part of the scale methodology because of the relief it provided to developing countries by reducing their assessable national income.

21. While recognizing the need for all Member States to pay their assessments on time and in full in order to provide the Organization with adequate financial resources, her delegation supported the use of Article 19 of the Charter in the case of Member States unable to meet their commitments due to genuine socio-economic and political difficulties. It therefore supported the granting of an exemption to the Central African Republic, the Comoros, Georgia, Guinea-Bissau, Liberia, the Niger, Sao Tome and Principe, Somalia and Tajikistan and the maintenance of their voting rights until the end of the sixty-first session of the General Assembly. It also welcomed the use of the system of multi-year payment plans to assist Member States in reducing their unpaid assessed contributions.

22. **Mr. Obame** (Gabon) said globalization had increased the demands placed on the Organization and recalled that the World Summit 2005 had underscored

the need to provide the Organization with sound, stable and predictable financing. That would require payment of assessments in full and on time, taking into account the capacity to pay of each Member State, which must remain the basic criterion for calculation of the scale of assessments in that it guaranteed transparency and fairness and provided a sound basis for a fair apportionment of contributions.

23. The Secretariat should continue its efforts to improve the statistical database in order to ensure that assessments would be calculated using current, reliable data. Any new scale of assessments must continue to take into account the economic reality of developing country Member States, in particular their debt burden. Retention of the main criteria of the current scale of assessments would help ensure any new scale of assessments was fair and balanced.

24. With regard to Article 19 of the Charter, he supported the granting of exemptions to the Central African Republic, the Comoros, Georgia, Guinea-Bissau, Liberia, the Niger, Sao Tome and Principe, Somalia and Tajikistan.

25. **Ms. Louche** (Niger) welcomed the recommendation of the Committee on Contributions that her delegation should be granted an exemption under Article 19 of the Charter and that it should be permitted to vote in the General Assembly until the end of its sixty-first session. She also supported the requests for exemptions made by other delegations and looked forward to the adoption of draft resolution A/C.5/61/L.2 on the scale of assessments by the General Assembly. She said that her Government, in spite of the current socio-economic situation in the Niger, would continue to study all ways and methods open to it to make the third payment of its unpaid assessment in accordance with the multi-year plan signed in 2004.

26. **Mr. Andanje** (Kenya) said the issue of financing would significantly affect the future role of the Organization and was further complicated by the tremendous differences in the capacity to pay of Member States and the related issues of burden-sharing and ownership. Every Member State had an equal interest in the well-being of the Organization and must contribute, based on the principle of relative capacity to pay, to funding the Organization. Every Member State must likewise pay its assessment without conditionalities, although the possibility of an exemption for Member States in genuine difficulty should be retained.

27. His delegation was convinced that the current assessment system continued to provide an equitable method for the calculation of assessments, although such issues as the base period, capital consumption and the functioning of certain adjustment instruments warranted further discussion. He noted that at both the top and bottom of the scale, there were obvious disparities between relative capacity to pay and the assessment percentages.

28. Lack of data made it difficult to accurately calculate the national income of some States. Those with weak statistical capabilities should be provided with technical assistance to improve the data used to calculate national incomes. Such technical problems could be resolved during the current session and did not call into question the assessment system itself.

29. **Mr. Al-Hayen** (Kuwait) stressed the vital role played by the scale of assessments in guaranteeing the United Nations a sound and reliable source of funding. The apportionment of the expenses of the Organization must continue to be based on the principle of capacity to pay. His delegation agreed with the Committee on Contributions that it would not be appropriate to use purchasing power parity to calculate the scale of assessments, because of the lack of current, reliable and verifiable data.

30. He supported the system of multi-year payment plans as an important measure to assist Member States in meeting their commitments to the Organization. In that context, he noted that Iraq had met all its obligations to the Organization. He supported the granting of exemptions under Article 19 of the Charter to the nine Member States identified in draft resolution A/C.5/61/L.2, and the maintenance of their voting rights.

31. He reiterated the need for Member States to show the political will to help the United Nations meet its goals. His delegation would continue to support the vital work of the Organization and would meet its financial commitments in full and on time. He encouraged all delegations to do likewise.

32. **Mr. Arias Cardenas** (Bolivarian Republic of Venezuela) said any new methodology for calculating the scale of assessments should be in keeping with the spirit of the Charter and the rules of procedure of the

General Assembly, in particular with regard to capacity to pay. The current methodology used gross national income as the accepted indicator of the incomes of Member States, but since the current international economic model did not ensure a just distribution of income the scale included adjustments for debt burden and low per capita income to better reflect the capacity to pay of Member States, in particular the developing countries.

33. The principle of capacity to pay had, however, been violated in 2000 by the imposition of a 22-per-cent ceiling to benefit a Member State with the highest contribution in nominal, though not relative, terms, on the understanding that that Member State would then honour its debt to the Organization. That had not happened and maintenance of the 22-per-cent ceiling would amount to payment of a subsidy to that Member State by other Member States, including developing countries, in violation of the principle of capacity to pay and the spirit of the Charter. That situation must be reconsidered.

34. He recalled that his delegation had met all its financial obligations to the Organization, in spite of being a developing country, and would continue to do so. His delegation was open to discussing realistic proposals, based on reliable and comparable data, for reform of the scale of assessments. Time should not however be spent on issues already discussed and the principle of capacity to pay should remain the fundamental criterion in the calculation of assessments.

35. Finally, he expressed support for the exemptions under Article 19 of the Charter of the United Nations requested by the nine Member States identified in draft resolution A/C.5/61/L.2.

36. **Ms. Izata** (Angola) said that the continued functioning of the United Nations depended on Member States' willingness to honour their financial commitments. Having taken note of the projected 700 per cent increase in Angola's assessed contributions, she was deeply concerned about the preparation of the scale for the period 2007-2009. According to paragraph 55 of the report of the Committee on Contributions (A/61/11), countries without debt data from 2000 onwards had been contacted directly and asked to provide the necessary information, but she would have welcomed efforts to contact the Angolan Mission.

37. Despite the huge increase in its assessment, Angola would, as it had done in the past, comply with its financial obligations. However, given that the nation was still struggling to recover from the social and economic consequences of the civil war, it was not yet able to absorb such a drastic change in its assessed contribution.

38. As far as methodology was concerned, she supported the recommendations of the Committee on Contributions contained in paragraphs 25 and 30 of its report. In addition, the debt-burden adjustment should be retained and the floor and the ceiling for the least developed countries should be maintained at 0.001 per cent and 0.01 per cent, respectively. The proposal to introduce a minimum assessment rate for the permanent members of the Security Council was contrary to the principle of capacity to pay and she would not support any other proposals that were not in line with that principle.

39. Lastly, the requests for exemption under Article 19 of the Charter set out in chapter V of the report of the Committee on Contributions should be given favourable consideration.

40. **Mr. Riofrío** (Ecuador) said that in spite of the drastic economic adjustments caused by the policy of dollarization begun in 2001, his Government had made every effort to meet its financial commitments to the Organization, often to the detriment of social and health programmes. Capacity to pay must be the basis of any methodology used to calculate the scale of assessments, which should reflect the economic situation of Member States and also avoid sudden increases in assessments. Use of a six-year base period would contribute to the collection of reliable data concerning long-term economic development.

41. Assessments should be based on economic data that accurately reflected the economic situation in Member States. Questionnaires on the main economic indicators should therefore be transmitted via the permanent missions to the United Nations, who could then ensure follow-up with their capitals. All aspects of the scale of assessments should be reviewed, in particular those, such as a ceiling on contributions, that had a distorting effect. The cost for low- and median-income countries of servicing and repaying their external debt should continue to be taken into account when calculating their assessments.

42. **Mr. Yaroshevich** (Belarus) said that the scale of assessments for the period 2007-2009 should be based on the most current, comprehensive and comparable

data available for gross national income. Since the existing scale methodology had served Member States well, the low per capita income adjustment and the debt-burden adjustment should be retained. Those elements, when combined with the relevant gross national income data, gave a true picture of a country's economic and social situation and, in particular, of its per capita income, which reflected its real capacity to pay.

43. In order to ensure that the developing countries and countries with economies in transition were treated fairly, a six-year base period should be used in order to prevent sudden and crippling changes in assessments. A six-year base period would ensure that the largest possible number of Member States were in a position to pay their assessed contributions in full, on time and without conditions. Recalculating the scale on an annual basis was impractical and more expensive and would create instability.

44. The proposals to introduce a minimum assessment rate for the permanent members of the Security Council and to use purchasing power parity in the preparation of the scale of assessments both ran counter to the principle of capacity to pay. Furthermore, the use of purchasing power parity did not meet the criterion that data used in the scale should be reliable, verifiable and comparable.

45. **Mr. Diab** (Syrian Arab Republic) stressed that the principle of capacity to pay should remain the basis for apportioning the expenses of the United Nations. Consequently, during its deliberations on agenda item 122, the Fifth Committee must endeavour to reach agreement on the best way of reflecting that principle in the scale of assessments for the period 2007-2009.

46. The prosperous industrialized countries, in particular, must honour their financial commitments to the Organization and due consideration must be given to the economic difficulties faced by the developing countries, whose economies were still weak and vulnerable. In that connection, he endorsed the recommendations contained in paragraphs 25 and 30 of the report of the Committee on Contributions.

47. The requests for exemption under Article 19 of the Charter submitted by the Central African Republic, the Comoros, Georgia, Guinea-Bissau, Liberia, the Niger, Somalia, Tajikistan and Sao Tome and Principe should be given favourable consideration and those countries should therefore be permitted to vote until the end of the sixty-first session of the General Assembly. Multi-year payment plans were a useful tool for reducing unpaid assessed contributions and allowed Member States in arrears to demonstrate their commitment to meeting their financial obligations. However, he urged all Member States, particularly the major contributors, to pay their assessments in full, on time and without conditions.

48. Lastly, he had taken note of the statement made by the representative of Slovenia on the issue of the unpaid assessed contributions of the former Yugoslavia. The Fifth Committee must make every effort to settle that question in an appropriate manner at the current session.

49. **Mr. Safaei** (Islamic Republic of Iran) expressed his full support for efforts to ensure that the scale of assessments for the period 2007-2009 was based on the capacity to pay of all Member States. Pursuant to General Assembly resolution 55/5 C, the ceiling had been reduced to 22 per cent in order to facilitate the payment of arrears and improve the financial situation of the United Nations, but, six years after the introduction of that reduction, its intended objectives had not been met. Since the way forward remained unclear, any discussion of the scale methodology for 2007-2009 should incorporate the review provided for in paragraph 2 of resolution 55/5 C.

50. **Mr. Greiver** (Chairman of the Committee on Contributions) recalled that the current scale of assessments would expire on 31 December 2006 and stressed the need to reach agreement on a new scale in a timely fashion. He would respond to delegations' questions in informal consultations, and assured the Fifth Committee that its valuable comments on the report would be transmitted to the members of the Committee on Contributions.

Agenda item 131: Scale of assessments for the apportionment of the expenses of United Nations peacekeeping operations (A/61/139 and Corr.1)

51. **Mr. Gilpin** (Chief, Contributions Service), introducing the report of the Secretary-General on the implementation of General Assembly resolutions 55/255 and 55/236 (A/61/139 and Corr.1), recalled that, in its resolution 55/235, the General Assembly had reaffirmed the general principles underlying the financing of United Nations peacekeeping operations and had established a new system of adjustments of

regular budget scale rates for the calculation of Member States' rates of assessment for those operations. That system set criteria for placing Member States in one of ten levels, from A to J. Permanent members of the Security Council were included in level A, Member States on the list of the least developed countries were included in level J, and certain specified Member States were included in level C. The initial placement of other Member States was based on their average per capita gross national product (GNP) and on the average per capita GNP of the whole membership. In its resolution 55/236, the Assembly had welcomed decisions by a number of Member States to move voluntarily to higher levels.

52. Paragraph 15 of resolution 55/235 requested the Secretary-General to update the composition of the levels on a triennial basis. The report currently before the Committee was in response to that request and also to a request from the Philippines (A/61/139, annex III). For the purposes of updating the composition of the levels for 2007-2009, the Secretary-General had used the data for the period 1999-2004, which had been reviewed by the Committee on Contributions. The dollar thresholds for per capita GNI and the results of the application of those thresholds were contained in annexes I and II to the report, respectively. In that connection, he also drew attention to the corrigendum to the report (A/61/139/Corr.1).

53. Paragraph 8 of the report dealt with the assignment of levels to Serbia and Montenegro following the latter's declaration of independence. Based on the data available, both Serbia and Montenegro would have been assigned to level I in 2006. Accordingly, the Fifth Committee might wish to recommend to the General Assembly that both States should be assigned to the same level for the period 2007-2009.

54. Lastly, he drew attention to annex IV to the report, which contained a table illustrating the effective rates of assessment for peacekeeping for the period 2007-2009. However, final peacekeeping rates would be determined only when the General Assembly had adopted a scale of assessments for the corresponding period.

Agenda item 124: Joint Inspection Unit (A/61/34)

55. **Ms. Wynes** (Chairperson, Joint Inspection Unit) introduced the report of the Joint Inspection Unit (JIU) for 2005 and its programme of work for 2006 (A/61/34). The provisions of General Assembly resolution 59/267 had been designed to increase the effectiveness of the Unit, and since the adoption of that resolution the reform of the Unit had gained momentum. Annex III to the report gave a comprehensive overview of the status of implementation of the resolution.

56. The benchmarking framework for the implementation of results-based management had been endorsed by the General Assembly and a number of interested parties had been briefed. In 2005, the Unit had issued nine reports and two notes, described in detail in its report (A/61/34, paras. 7-25). It had further enhanced the system for following up its recommendations and quantifying the financial implications of its work. As indicated in paragraph 3 of the report, the Unit's recommendations had already resulted in savings of US$ 17 million and, if implemented, the recommendations on a consolidated payroll system could lead to additional savings of around US$ 10 million per year over a 10-year period. The Unit's recommendations could also result in non-quantifiable efficiency gains, enhanced programme effectiveness and controls and increased accountability. Further improvements had been made to the follow-up system by ensuring that the impact of recommendations on participating organizations was systematically analysed. In 2005, the Unit had also adopted revised internal working procedures, which were regularly updated.

57. The programme of work for 2006 was contained in chapter II of document A/61/34. In addition to the activities described in that chapter, the Unit had agreed to conduct a study of the World Meteorological Organization's Working Capital Fund. The process of choosing the subjects for the programme of work had been significantly improved in order to better reflect the priorities of the legislative bodies of participating organizations and the results of the Unit's management assessments. The Unit expected to complete management assessments for all participating organizations by the end of 2007.

58. While the budget of the Joint Inspection Unit had experienced zero growth in real terms, its composition had been modified to make provision for training. In addition, the terms of reference of one post had been amended in order to recruit an investigation and inspection officer. Lastly, in order to remedy the

problems arising from the unbalanced ratio of inspectors to research officers (11:8), and with a view to increasing both its productivity and the timeliness of its reports, the Unit would be putting forward a proposal for the conversion of two General Service posts to Professional posts at the P-3 level in the context of its budget submission for the biennium 2008-2009.

59. **Mr. Fasehun** (World Intellectual Property Organization) drew attention to the informal note on the report of the Joint Inspection Unit submitted by the World Intellectual Property Organization (WIPO) to the Secretary of the Fifth Committee. The note addressed the information contained in paragraph 3 of the JIU report.

60. **Ms. Pehrman** (Finland), speaking on behalf of the European Union; the acceding countries Bulgaria and Romania; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania, Bosnia and Herzegovina and Serbia; and, in addition, Iceland, Liechtenstein, Norway, the Republic of Moldova and Ukraine, welcomed the progress made by the Joint Inspection Unit in improving its working methods and exploring ways to improve the quality and relevance of its reports. She also welcomed the progress made in implementing General Assembly resolution 59/267. She noted with satisfaction the continuing emphasis on system-wide or multi-agency topics for 2005 and 2006, and the efforts to revise JIU's follow-up system so as to monitor the acceptance and implementation of its recommendations and their measurable impact. However, she requested an assurance that specific data would be provided on the status of implementation of recommendations applying to more than one agency.

61. JIU should be encouraged to continue developing constructive working relationships with the Office of Internal Oversight Services (OIOS) and the Board of Auditors, so as to identify common areas of work, avoid duplication and create synergies.

62. The provisional version of JIU's programme of work for 2006, received at the first part of the resumed sixtieth session of the Assembly, was a welcome innovation. She looked forward to learning how JIU intended to expedite the formal adoption and submission of its programme of work at an earlier stage than in the past.

63. The European Union supported the proposals set out in document A/60/659 for improving the process of selection of inspectors. The President of the General Assembly should retain a consultative role in the process, and the process itself should be made more transparent and should be simplified, while ensuring thorough evaluation of the candidates.

64. **Ms. Lock** (South Africa), speaking on behalf of the Group of 77 and China, said the Group had played an active part in the discussions aimed at strengthening JIU. In turn, JIU had acted to implement General Assembly resolution 59/267 by submitting an advance version of its work programme for 2006, and by improving its working methods. The Group welcomed the progress made by JIU in improving the quality, relevance and usefulness of its reports, and in identifying potential savings. It also commended the efforts of JIU to promote dialogue with oversight bodies at other organizations of the United Nations system, and interaction with the Board of Auditors and the Office of Internal Oversight Services.

65. The Group welcomed the inclusion in the JIU report of information on the level of implementation of its recommendations and the results achieved by the organizations in following them up. However, the Group would like an explanation of the methodology, mentioned in paragraph 28 of the report, used to determine the levels of acceptance and implementation of system-wide reports. The Group endorsed the eight categories of impact adopted by JIU, which would be helpful in determining the intended and actual impact of its recommendations. The Group would like to know more about the difficulties caused by the Unit's very limited research capacity, mentioned in paragraph 39 of the report. It welcomed the focus on staff training and the use of videoconferencing with participating agencies, and noted the comments by the Chairperson on the problems arising from the zero or nominal budget increases of the past few years.

66. The Unit had highlighted in its report an incident relating to the lifting of immunity of one of its former inspectors. The Group would welcome more details of the incident, and an explanation of the apparent failure to adhere to the standards and procedures established for such cases. Any informal consultation on the matter should be attended by the relevant officials of the Secretariat.

67. The Group wished to encourage JIU to continue the practice of submitting advance versions of its work programme. It welcomed and concurred with the assessment provided of the status of implementation of General Assembly resolution 59/267. It appreciated the many improvements made in JIU's work over the past two years. She expressed support for the continued existence of the Unit and of its mandate.

68. **Mr. Hillman** (United States of America) said the table presented in paragraph 30 of the report was helpful, but he hoped that future tables of that kind would include information in each category on identified cost savings, actual savings, the number of accepted recommendations, including a percentage acceptance rate, and the status of implementation of each recommendation. His delegation would like to know whether JIU routinely transmitted its reports to the organization concerned, together with a request for a report back within a set time limit on its acceptance or non-acceptance of the JIU recommendations, and its plans for implementing them. That was the practice of other oversight bodies within the United Nations. It was a matter of concern that in the case of multi-agency reports, JIU was unable to determine the exact level of acceptance of its recommendations. It should do more to develop a method for providing such information.

69. His delegation would also like to know more about JIU's plans for enabling the Committee to comment at an earlier stage on its proposed annual programme of work. The proposal should be submitted to the General Assembly as early as possible each year. In some of the topics selected for review in the current year, the contribution of JIU to the effective functioning of the United Nations was not readily apparent.

70. **Mr. Debabeche** (Algeria) welcomed the promptness with which JIU had acted to comply with the terms of General Assembly resolution 59/267. The early submission of its programme of work for 2007 was a token of its determination to improve its methods of work. He also welcomed its efforts to improve coordination with the Office of Internal Oversight Services and with the Board of Auditors, and its identification of potential savings in some organizations. He appreciated the clarity of presentation of the work programme for 2006.

71. JIU had had to comment on certain recommendations made by the accounting firm Price Waterhouse Cooper. However, the firm's report had been poorly prepared and showed little understanding of the oversight system within the Organization, or of the rules and procedures governing the work of JIU. It misinterpreted General Assembly resolution 60/257 in finding that JIU was ineffective, since it was commonly known that JIU recommendations were non-binding. Some improvements were certainly warranted in the method of appointing inspectors, but the existence and mandate of JIU itself should not be challenged.

72. **Ms. Wynes** (Chairperson, Joint Inspection Unit) undertook to provide more information in the next annual report on the status of implementation of recommendations applying to more than one agency. Cooperation with the Office of Internal Oversight Services and the Board of Auditors would be continued.

73. Concerning earlier submission of the proposed annual programme of work, the intention of JIU was to move its winter session forward to late November/early December, beginning in the current year. The programme of work could then be approved in January. The methodology for determining the level of acceptance of JIU recommendations involved determining the level of relevance of the recommendations for each participating agency, and treating that as a baseline. The level of implementation was then calculated for each JIU report, together with an average. Concerning the limited research capacity within JIU, the problem was that the research staff had to work on several projects at once, resulting in delays and conflicting priorities. Their responsibilities now included analysing data as well as gathering it. In order to increase research capacity without excessive financial implications, two research assistants were now being reclassified as research officers.

74. The background to the case in which immunity had been lifted was set out in a note prepared by JIU. A request to lift immunity had been received in the autumn of 2005 from the Swiss authorities, to enable them to search the home and computer of a former JIU Inspector on the basis of suspected criminal activity through the Internet. The Swiss police, accompanied by the United Nations Legal Counsel in Geneva, had made the search in December 2005 and had seized a computer, having informed the former Inspector that

the Secretary-General had lifted his immunity on the basis of the allegation. He had subsequently been cleared.

75. The procedure applicable in such cases was laid down in regulation 1(e) of the Regulations Governing the Status, Basic Rights and Duties of Officials other than Secretariat Officials, and Experts on Mission, which required the Secretary-General to inform the General Assembly when an issue arose regarding application of privileges and immunities (ST/SGB/2002/9). The Regulations had been approved by the General Assembly in its resolution 56/280.

76. The Secretary-General had indicated that he would be prepared to take account of the view of JIU if an issue arose concerning a waiver of the privileges and immunities of its Inspectors (A/55/928, para. 15). Although JIU had asked the Secretary-General what arrangements existed for implementing the obligation to inform the General Assembly under the regulations, no reply had been received. JIU had later been told by senior officials of the United Nations that the Convention on Privileges and Immunities took precedence over a Secretary-General's bulletin, and that the need to protect confidentiality in the incident in question was the reason why no one had been informed. JIU had expressed the view that the Convention did not affect the validity of internal procedures relating to elected or appointed officials approved by the General Assembly, and that proper procedure ought to have been respected, a view accepted by the Secretariat.

77. In June 2006 she had written to the President of the General Assembly stating that the matter would be brought to the attention of the Fifth Committee in JIU's annual report with a view to seeking appropriate action to guarantee, in future, the integrity of the procedures for protecting all elected United Nations officials and experts on mission, and the independence of those appointed by the General Assembly. When an official was cleared of a charge, the Secretary-General should provide proper notification to all concerned.

78. Concerning the query by the representative of the United States about routine transmission of JIU reports to organizations under review, JIU was now in the process of changing its matrices to show clearly to whom a particular matrix applied. That information would be included in future in draft reports sent to the agencies.

79. The note circulated by the WIPO Coordinating Office in New York was unprecedented. If the WIPO secretariat believed there was a factual error in the annual report, it should first have contacted JIU for an explanation, and could have approached the General Assembly of WIPO if unsatisfied with the response. It had done neither. The JIU review of management and administration at WIPO had begun in November 2004, following a proposal by the WIPO secretariat to increase international patent filing fees by 12 per cent. During the JIU review of WIPO the Inspectors had concluded that the requested increase was not justified. Their recommendation to that effect seemed to have been accepted by WIPO, which had abandoned the proposal in its January 2005 submission to the Programme and Budget Committee. The resulting savings had amounted to an estimated $17 million in 2005. The Inspectors had also called for a desk-to-desk needs assessment at WIPO, which should result in further savings. The Inspectors had identified various management deficiencies at WIPO, but clearly WIPO had not welcomed all the JIU recommendations.

80. **Ms. Lock** (South Africa) expressed concern about the incident in which the immunity of a former JIU Inspector had been lifted, and requested distribution to Committee members of the JIU note. The broader implications of the affair for the privileges and immunities of officials other than Secretariat officials and experts on mission should be considered in the light of Article 105 of the Charter.

The meeting rose at 12.50 p.m.